



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

*SW
by
JH*

Partial: _____ Complete: XXX Exploration: _____

Inspection Date & Time: 4/12/2001 / 12:00am-3:00pm

Date of Last Inspection: 03/09/2001

Mine Name: Dugout Canyon Mine County: Carbon Permit Number: C007039
 Permittee and/or Operator's Name: Canyon Fuel Company
 Business Address: PO Box 1029, Wellington, Utah 84542
 Type of Mining Activity: Underground XXX Surface _____ Prep. Plant _____ Other _____
 Company Official(s): Gary Taylor
 State Official(s): Stephen J. Demczak Federal Official(s): None
 Weather Conditions: Snowing, Snow Covered
 Existing Acreage: Permitted 4035 Disturbed 20.1 Regraded _____ Seeded _____
 Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/039

DATE OF INSPECTION: 4/12/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee will be submitting an amendment to install a weather station in the next few weeks.

The permittee has submitted an amendment to install a leach field below the mine site. This amendment is currently being reviewed by the Division.

2. SIGNS AND MARKERS

All permittee identification signs meet the requirements of the R645 coal rules. The perimeter markers were spot-checked and are located around the perimeter of the disturbed areas. Snow cover made it difficult to see all markers.

3. TOPSOIL

The topsoil for Dugout mine is being stored at the topsoil site at Soldier Creek Mine topsoil storage area. It is separated from the topsoil of Soldier Creek Mine. Topsoil pile was covered with snow. No erosion was noticed.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions appeared to be capable of functioning as designed. The majority of the diversions are concrete lined.

Some of the diversions will need spring cleaning due to some small rocks and sediment build-up.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment pond was functioning as designed. The sediment pond contains some water but will not likely discharge in the near future. No hazardous conditions were noticed during the inspection.

The permittee has made a first quarter sediment pond inspection on January 8, 2001. The annual inspection was on December 11, 2000. The December report is P.E. certified and will be used in the Annual Report and is located at the Division.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The fourth quarter water monitoring was sent to the Division. Required lab parameters, holding times, and water sites were reviewed. The information was found to comply with the requirements of the Mining and Reclamation Plan.

Water samples were taken for first quarter. The permittee has taken two water samples from two sites and all other sites were inaccessible. This information will be electronically submitted to the Division by the end of the quarter.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: C/007/039

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4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

There are two UPDES point sampling points: a) the sediment pond, and b) mine discharge and neither of them discharged during the quarter.

The SPCC Plan was updated on February 1, 2000.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

No coal mine waste pile is located at the Dugout Mine. Currently, all waste material is stored underground. There are plans in the future to submit an amendment to the Division for constructing a waste rock facility.

8. NONCOAL WASTE

The disturbed area was clear of non-coal waste material.

14. SUBSIDENCE CONTROL

No subsidence monitoring was taken because no second mining had occurred. The permittee has installed and is using longwall mining underground. Therefore, subsidence monitoring will start in the year 2001.

16B. ROADS: DRAINAGE CONTROLS

The swell within the road at the sediment pond was functioning as designed.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

No new support facilities are being constructed.

21. BONDING AND INSURANCE

The bonding is set at \$3,682,000. The surety bond is from Liberty Mutual Insurance. This bonding amount may change during the mid-term review. An initial review reveals that the mine may be over-bonded.

The insurance acord form was reviewed and was found to comply with the R645 Coal Rules. The insurance policy will expire on July 31, 2001.

Inspector's Signature: _____

Stephen J. Demczak

#39

Date: April 18, 2001

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

sd

cc: James Fulton, OSM
Rick Olsen, Canyon Fuel
Chris Hansen, Canyon Fuel
Price Field office

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